

**ASSEMBLY BILL**

**No. 14**

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**Introduced by Assembly Member Wieckowski**

December 6, 2010

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An act relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 14, as introduced, Wieckowski. Redevelopment: Fremont Redevelopment Agency.

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities in order to address the effects of blight, as defined, in those communities and requires to prepare, or cause to be prepared, and to approve a redevelopment plan for each project area. That law sets forth various procedural requirements of a redevelopment agency for its adoption of a redevelopment plan.

This bill would authorize the Fremont Redevelopment Agency to adopt a redevelopment plan for a project area encompassing or surrounding the New United Motor Manufacturing, Inc. (NUMMI) automobile manufacturing plant and the Warm Springs Bay Area Rapid Transit (BART) station. The bill would set forth alternative conditions that cause blight for the purpose of the adoption of this redevelopment plan. The bill would provide that the redevelopment plan would not be required to demonstrate conformance with the community's general plan, but would prohibit the agency from receiving or using tax increment funds from the project area until its legislative body determines that the redevelopment plan is consistent with the general plan. The bill would also make other changes to the plan adoption process in order to streamline that process.

The bill would require the county assessor of the County of Alameda to review the assessed value of the taxable properties in the project area prior to the effective date of the ordinance adopted by the Fremont Redevelopment Agency for purposes of establishing the assessment roll to be used in connection with the taxation of the subject properties. By adding to the duties of local government officials, this bill would impose a state-mandated local program.

The bill would also authorize the agency to use tax increment revenue derived from the project area to assist in funding school facilities that will serve the future residents of the project area, as specified. The bill would specify that this use of tax increment funding would be in addition to any transfer of tax increment revenue to a taxing agency or school district for educational purposes required under the Community Redevelopment Law.

The Planning and Zoning Law authorizes a city, county, or city and county to require, by ordinance, the payment of a development impact fee for school facilities as a condition to the approval of a residential development, in specified circumstances.

This bill would authorize the City of Fremont, upon the request of the Fremont Redevelopment Agency, to impose a higher maximum school facilities development impact fee with respect to residential developments in the project area than that provided for under existing law.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Fremont Redevelopment Agency.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

1 (a) California once boasted eight automobile manufacturing  
2 plants within its borders. Today, the one remaining automobile  
3 manufacturing plant in the western United States resides in  
4 Fremont, California.

5 (b) This one remaining plant, the New United Motor  
6 Manufacturing, Inc. (NUMMI) plant, was the product of a joint  
7 venture formed in 1984 between General Motors Corporation and  
8 Toyota Motor Corporation. In 2009, General Motors declared  
9 bankruptcy and ended the joint venture, putting the plant's  
10 continued operation at risk.

11 (c) The NUMMI plant formerly produced approximately  
12 250,000 cars and 170,000 trucks annually, employed nearly 4,700  
13 workers who lived throughout the San Francisco Bay Area, and,  
14 through its purchase of supplies, supported over 15,000 more  
15 workers throughout the state.

16 (d) Extraordinary measures must be taken to mitigate the  
17 economic and social effects of underutilization of the area  
18 encompassing or surrounding the NUMMI plant.

19 (e) The Community Redevelopment Law (Part 1 (commencing  
20 with Section 33000) of Division 24 of the Health and Safety Code)  
21 has been one of the most effective tools for helping a city and  
22 region recover from the devastating economic effects of  
23 underutilization of a major regional manufacturing center, such as  
24 the NUMMI plant. However, the adoption of a redevelopment plan  
25 is a time and cost intensive process, with many uncertainties. A  
26 streamlined process for adoption of a redevelopment plan for a  
27 project area encompassing or surrounding the NUMMI plant will  
28 allow for more efficient use of the Community Redevelopment  
29 Law while reducing the uncertainties associated with the  
30 redevelopment plan adoption process.

31 (f) The extension of the Bay Area Rapid Transit (BART) system  
32 and the construction of the Warm Springs BART station represents  
33 a unique opportunity to incorporate transit-oriented development  
34 in the vicinity of the NUMMI plant. Therefore, allowing the area  
35 encompassing or surrounding the Warm Springs BART station to  
36 be included in the project area encompassing or surrounding the  
37 NUMMI plant will allow for better coordination of development  
38 of these areas.

39 SEC. 2. With the enactment of this act, it is the intent of the  
40 Legislature to do both of the following:

1 (a) Provide a means of mitigating the economic and social  
2 degradation faced by the community of Fremont and its  
3 surrounding region resulting from the reduced operation, or  
4 possible closure, of the NUMMI plant site in Fremont, California.

5 (b) Enable the Fremont Redevelopment Agency to adopt a  
6 redevelopment plan for a project area encompassing or surrounding  
7 the NUMMI plant site and encompassing and surrounding the  
8 Warm Springs BART station in order to alleviate underutilization  
9 resulting from adverse economic conditions and to foster economic  
10 reuse opportunities. It is not the intent of the Legislature to  
11 authorize the Fremont Redevelopment Agency to include large  
12 areas of undeveloped land within this project area.

13 SEC. 3. (a) The Fremont Redevelopment Agency may adopt  
14 a redevelopment plan, pursuant to this act, for a project area  
15 including all, or any portion of, the area encompassing or  
16 surrounding the NUMMI plant and all, or any portion of, the area  
17 encompassing or surrounding the Warm Springs BART station.

18 (b) The project area may also include territory outside the area  
19 encompassing or surrounding the NUMMI plant or the Warm  
20 Springs BART station if that territory is characterized by blight,  
21 as that term is defined in Sections 33030 and 33031 of the Health  
22 and Safety Code or Section 4 of this act.

23 (c) All territory outside the plant or station included within the  
24 project area shall be characterized as predominately urbanized, as  
25 that term is defined in subdivision (b) of Section 33320.1, if either  
26 of the following occur:

27 (1) The legislative body of the Fremont Redevelopment Agency  
28 determines the territory is underutilized relative to densities of  
29 development typically found in proximity to other stations making  
30 up the BART system.

31 (2) At the time of adoption of the redevelopment plan, the  
32 legislative body has initiated proceedings to adopt a specific plan  
33 or a general plan amendment to increase the utilization of that  
34 territory.

35 (d) The Fremont Redevelopment Agency may adopt a project  
36 area either pursuant to this act and the Community Redevelopment  
37 Law, or solely pursuant to the Community Redevelopment Law.

38 (e) A redevelopment plan or project area adopted by the Fremont  
39 Redevelopment Agency pursuant to this act shall be subject to all  
40 other applicable laws, including, but not limited to, the Community

1 Redevelopment Law and the California Environmental Quality  
2 Act (Division 13 (commencing with Section 21000) of the Public  
3 Resources Code), except as provided by this act.

4 SEC. 4. For purposes of adopting a redevelopment plan for a  
5 project area pursuant to this act, this section describes the  
6 conditions that cause blight. In order for an area to qualify as being  
7 blighted under this section, the area shall meet at least two of the  
8 following conditions:

9 (a) The existence of a building or buildings in which it is unsafe  
10 or unhealthy for an individual to live or work due to unsafe or  
11 unhealthy conditions, including, but not limited to, serious building  
12 code violations, dilapidation and deterioration, defective design  
13 or physical construction, faulty or inadequate infrastructure,  
14 presence of hazardous materials, or other similar factors.

15 (b) The existence of buildings or areas with factors inhibiting  
16 their economically viable reuse, including, but not limited to,  
17 substandard design, being too large or too small, given present  
18 standards and market conditions, age, obsolescence, deterioration,  
19 dilapidation, or other physical conditions that could prevent the  
20 highest and best uses of the property.

21 (c) The existence of economic conditions that prevent economic  
22 development, including, but not limited to, abnormally high  
23 business vacancies, substantial job losses, abnormally low lease  
24 rates, or an abnormally high number of abandoned buildings or  
25 leaseable square feet.

26 (d) The existence of buildings that do not comply with  
27 subdivision, zoning, or planning regulations.

28 (e) The existence of infrastructure that does not meet existing  
29 adopted utility or community infrastructure standards.

30 (f) The existence of buildings that do not currently conform to  
31 the effective building, plumbing, mechanical, or electrical codes  
32 adopted by the community where the project area is located, or  
33 that do not meet the current codes for planned reuse without  
34 rehabilitation or retrofit.

35 (g) The existence of specialized materials, facilities, or  
36 equipment that must be removed or substantially modified to allow  
37 for development.

38 SEC. 5. In adopting a redevelopment plan pursuant to this act,  
39 the procedural requirements of Chapter 4 (commencing with

1 Section 33300) of Part 1 of Division 4 of the Health and Safety  
2 Code shall be modified as follows:

3 (a) The preliminary plan and redevelopment plan shall not be  
4 required to demonstrate conformance with the community's general  
5 plan. However, the Fremont Redevelopment Agency shall not  
6 receive or expend tax increment funds from the project area until  
7 its legislative body determines that the redevelopment plan is  
8 consistent with the community's general plan.

9 (b) The report on the redevelopment plan shall not be required  
10 to include the report of the planning commission.

11 (c) The report of the county fiscal officer and the preliminary  
12 report shall not be required to be more complete than the  
13 information currently available permits.

14 SEC. 6. Consistent with Section 16 of Article XVI of the  
15 California Constitution, the assessed value of the taxable properties  
16 in a project area created pursuant to this act shall be reviewed by  
17 the county assessor prior to the effective date of the ordinance  
18 adopted by the Fremont Redevelopment Agency for purposes of  
19 establishing the assessment roll to be used in connection with the  
20 taxation of the subject properties. This review shall consider,  
21 among other things, the occurrence of any of the following events:

22 (a) Removal of personal property and equipment from the  
23 NUMMI plant.

24 (b) A successful assessment appeal filed by the owner of the  
25 NUMMI plant.

26 (c) A transfer of ownership that triggers a reassessment of the  
27 transferred property.

28 SEC. 7. (a) For the purposes of this act, the term  
29 "redevelopment" as defined in Article 2 (commencing with Section  
30 33020) of Chapter 1 of Part 1 of Division 24 of the Health and  
31 Safety Code, shall include the provision of funding for the  
32 development of school facilities that will serve future residents of  
33 a project area.

34 (b) In order to fund the development of school facilities that  
35 will serve those residents, the Fremont Redevelopment Agency  
36 may use tax increment revenue from the project area to assist in  
37 funding school facilities that will serve those residents. This use  
38 of tax increment revenue shall not affect, and will be in addition  
39 to, any transfer of tax increment to a taxing entity or school district  
40 required by the Community Redevelopment Law (Part 1

1 (commencing with Section 33000) of Division 24 of the Health  
2 and Safety Code).

3 (c) Notwithstanding any contrary law, the City of Fremont, upon  
4 the request of the Fremont Redevelopment Agency, may impose  
5 a higher maximum school facilities development impact fee than  
6 that provided for in Chapter 4.7 (commencing with Section 65970)  
7 of Division 1 of Title 7 of the Government Code with respect to  
8 residential developments in the project area.

9 SEC. 8. The Legislature finds and declares that a special law  
10 is necessary and that a general law cannot be made applicable  
11 within the meaning of Section 16 of Article IV of the California  
12 Constitution because of unique economic circumstances in the  
13 area served by the Fremont Redevelopment Agency relating to the  
14 underutilization of the NUMMI automobile manufacturing plant  
15 and the construction of the Warm Springs BART station.

16 SEC. 9. If the Commission on State Mandates determines that  
17 this act contains costs mandated by the state, reimbursement to  
18 local agencies and school districts for those costs shall be made  
19 pursuant to Part 7 (commencing with Section 17500) of Division  
20 4 of Title 2 of the Government Code.